

UK Tax Rates Card 2025/26

The essential UK tax rates, thresholds and allowances for the 2025/26 tax year, gathered on a single page.

Tax year **2025/26** · Reviewed by **Kiran Boparai** · Last reviewed **6 June 2026** · Sources: gov.uk

PERSONAL ALLOWANCE £12,570	INCOME TAX RATES 20% · 40% · 45%	DIVIDEND TAX 8.75% · 33.75% · 39.35%	CORPORATION TAX 19% – 25%	VAT THRESHOLD £90,000
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01 Income Tax (England, Wales & NI)

The main income tax bands for England, Wales and Northern Ireland. Scotland sets its own income tax bands and rates, so the figures below do not apply to Scottish taxpayers.

- Personal allowance — £12,570
- Allowance taper — reduced by £1 for every £2 of income over £100,000
- Allowance fully withdrawn at £125,140
- Basic rate — 20% (up to £37,700)
- Higher rate — 40% (£37,701 to £125,140)
- Additional rate — 45% (over £125,140)
- Personal savings allowance — £1,000 basic / £500 higher / £0 additional

i Scottish taxpayers have separate income tax bands and rates.

02 Dividends

Dividends are taxed after the dividend allowance and at their own rates, which sit on top of your other income. No National Insurance is due on dividend income.

- Dividend allowance — £500
- Basic rate — 8.75%
- Higher rate — 33.75%
- Additional rate — 39.35%
- No National Insurance on dividends

i The dividend allowance is taxed at 0% but still uses up part of your band.

03 National Insurance

National Insurance contributions for employees, the self-employed and employers for 2025/26.

- Class 1 (employee) — 8% (£12,570 to £50,270), then 2% above
- Class 4 (self-employed) — 6% (£12,570 to £50,270), then 2% above
- Class 2 — effectively abolished from April 2024 (voluntary £3.45/week)
- Employer (secondary) — 15% over £5,000
- Employment Allowance — £10,500

i The Employment Allowance offsets up to £10,500 of an employer's secondary NIC bill.

04 Corporation Tax

The rate of corporation tax depends on the level of taxable profits, with marginal relief easing the transition between the two main rates.

- Small-profits rate — 19% (up to £50,000)
- Main rate — 25% (over £250,000)
- Marginal relief — between £50,000 and £250,000
- Marginal relief fraction — 3/200

i Profit thresholds are divided between associated companies and shortened periods.

05 VAT

Value Added Tax registration thresholds and rates for 2025/26.

- Registration threshold — £90,000
- Deregistration threshold — £88,000
- Standard rate — 20%
- Reduced rate — 5%
- Zero rate — 0%
- Flat Rate Scheme limited-cost trader — 16.5%

i You must register once taxable turnover exceeds £90,000 in any rolling 12 months.

06 Capital Gains Tax

Capital Gains Tax applies to gains above the annual exempt amount, at rates that vary by asset type and your income tax band.

- Annual exempt amount — £3,000
- Residential property — 18% (basic) / 24% (higher)
- Other assets — 18% (basic) / 24% (higher)
- Business Asset Disposal Relief — 14% (£1m lifetime limit)
- Residential gains — reported and paid within 60 days

i Residential property gains must be reported and the tax paid within 60 days of completion.

07 Inheritance Tax

Inheritance Tax is charged on estates above the nil-rate bands, with a reduced rate available for charitable estates.

- Nil-rate band — £325,000
- Residence nil-rate band — up to £175,000
- Standard rate — 40%
- Reduced rate — 36% (if 10%+ of net estate left to charity)
- Annual gift exemption — £3,000

i The residence nil-rate band can pass the family home to direct descendants more tax-efficiently.

08 Allowances & reliefs

A round-up of common allowances and reliefs that can reduce your tax bill for 2025/26.

- Trading allowance — £1,000
- Property allowance — £1,000
- Rent-a-room relief — £7,500
- Marriage allowance transfer — £1,260
- Pension annual allowance — £60,000 (tapered)
- Mileage — 45p/mile first 10,000, then 25p
- ISA allowance — £20,000

i Many of these allowances are use-it-or-lose-it within the tax year.

Common questions

When does the 2025/26 tax year run?

The 2025/26 tax year runs from 6 April 2025 to 5 April 2026.

Are these rates different in Scotland?

Scotland sets its own income tax bands and rates, so the income tax figures here apply to England, Wales and Northern Ireland only. The other taxes shown — such as VAT, Corporation Tax, Capital Gains Tax and Inheritance Tax — are UK-wide.

When do these figures change?

Rates and thresholds usually change at the Budget or at the start of a new tax year. Zmartly keeps this card updated as figures are confirmed.

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